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September 19, 2005

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Mr. John F. Carter
Regional Director
Federal Deposit Insurance Corporation
25 Jessie Street at Ecker Square, Ste. 2300
San Francisco, Ca. 94105

Re: **Comments regarding FDIC Application #20051977; Wal-Mart Application
For Insurance and Industrial Bank Charter**

Dear Mr. Carter:


As a general matter, I believe that Wal-Mart's application should be denied because the very possibility that Wal-Mart will enter into retail banking poses an enormous, unjustifiable threat to taxpayers, consumers, small communities, small businesses, FDIC insurance, and the soundness of our banking system itself. As an industrial bank, Wal-Mart could establish banks in its retail stores, causing competitive problems for local banks in much the same way that it has for local retailers. This would leave Wal-Mart as the only banking option in many small communities such as mine and force small business to hand their deposits over to, and apply for loans from their biggest competitor. Further, as an industrial bank Wal-Mart would not be subject to the consolidated supervision and many of the restrictions applicable to other owners of insured banks. This could make it impossible to detect financial troubles before they have an opportunity to affect the federal insurance safety net.

A Wal-Mart owned bank will not be able to look at other factors beyond a customer's credit score to understand their individual circumstances and cannot make the customer a loan based on a long-standing relationship and personal knowledge of the customer – something community banks do every day.

Moreover, there is the danger that Wal-Mart will export deposits out of the local community. This has been the current pattern of the large retailer when it establishes itself in a local community. Their deposits do not stay with the local bank, but rather are transferred to the store's central headquarters. This pattern in the past has had a devastating effect on local communities as retail dollars spent in the community are exported elsewhere rather than remaining in the community to support local lending and economic development.

These are among the reasons that I urge the FDIC to reject Wal-Mart's application for FDIC insurance for a Wal-Mart ILC.

Sincerely,


Joseph G. Lunt
President

JGL/sdb